



STATE OF VERMONT
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Vermont Pension Funds to Avoid Investments in Terrorist-Linked Countries

Montpelier – The Investment Committee overseeing Vermont’s 3 billion dollars in pension funds has adopted a policy restricting investments from companies and governments linked to terrorist or genocidal activities, such as Sudan, Iran, and Syria. [Policy #3-006](#)

According to State Treasurer Jeb Spaulding, who chairs the Vermont Pension Investment Committee, “The policy is intended to ensure that Vermont’s pension investments do not support governments or companies that engage in terrorism or genocide, and to reduce associated risks to our investment portfolio.”

Spaulding applauded the members of the Vermont Pension Investment Committee for striking a balance between their foremost responsibility to achieve the best possible risk-adjusted investment returns, and the moral imperative to do their part to put an end to terrorism and genocide.

“I am pleased to let Vermonters know our money is not only invested wisely and safely, but also that our money will not be used to support governments or companies that threaten our national security or are engaged in genocidal activities in another part of the world,” he stated.

The new policy prohibits investments in governments identified as State Sponsors of Terrorism, or in companies whose activities contribute to terrorism or genocide or that pose a national security risk, as identified by the United States Government. Further, the Vermont Pension Investment Committee will seek to avoid investing in companies that supply military equipment to terrorist-linked governments or government-associated groups. The Committee will also seek to avoid investing in companies that consistently refuse engagement with investors or humanitarian organizations about the steps the companies could take to play a positive role in a country where they operate and that has been identified as a sponsor of terrorism or genocide.

“The policy does not ban all investments in companies operating in countries like Sudan or North Korea. It targets governments specifically, as well as those companies that are known to aid governments or government-related groups engaged in terrorist or genocidal activities,” Spaulding explained.

Spaulding is confident that the new policy will not have a negative impact on the investment returns for the pension funds, “There are examples where terror-free investment funds have

actually performed slightly better than their non-terror-free counterparts, and there is increasing evidence that companies that partner with terrorist-sponsoring countries can be negatively affected in stock price and image.”

The State Treasurer’s Office has notified pension fund investment managers of the new policy and has asked them to identify any securities they hold for Vermont that could reasonably be construed to be in conflict with this policy. Spaulding expects the Vermont Pension Investment Committee will consider whether any stocks should be sold at its February Investment Meeting.

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